



Implementation of Performance Based Logistics (PBL)

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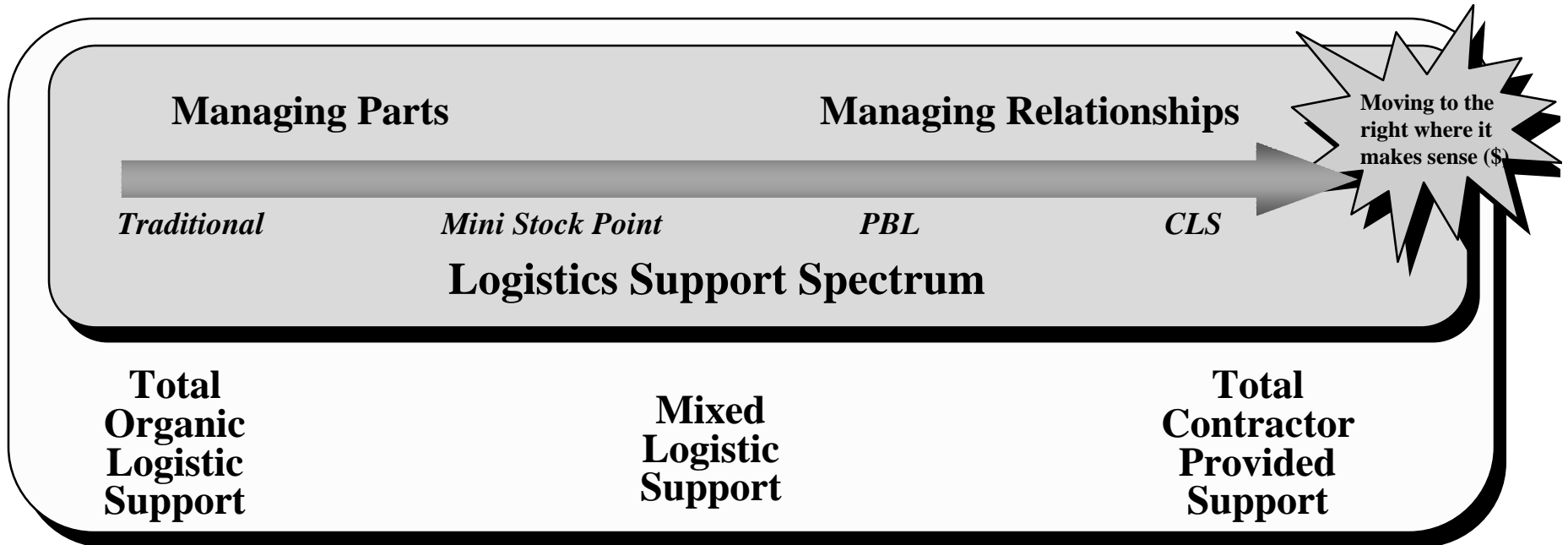
Increase product availability and reliability with technology insertion, and obsolescence management, at a lower total cost to the Fleet Customer and the Navy.



**Increased reliability and/or availability
at the same or a reduced cost**

- **Take advantage of commercial practices**
 - **Common packaging and shipping**
 - **Leading technology**
 - **Existing support structures**
- **Improve efficiency**
- **Reduce overhead and support costs**
- **Apply associated savings to modernization**

Logistics Support Spectrum



NAVICP Support Roles

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Balancing Repair & Procurement • Scheduling Production & Parts Support (MRP II) • Monitoring Performance & Expediting Piece Parts • Buying Attrition | <ul style="list-style-type: none"> • Conducting Tradeoff Analysis between Commercial & Organic • Monitoring Turn Around Time • Tracking & Improving Reliability | <ul style="list-style-type: none"> • Monitoring Contractor Performance • Providing Customer & Program Support • Matching Readiness Objectives to Cost of Support |
|---|--|---|

- **Inventory management**
 - **Supplier determines stock levels, config. control, orders/receives/stocks/issues**
 - **Warranty management and tracking**
- **Limited test and repair**
- **Supplier must meet performance metrics**
- **Requisitions flow through ICP - feedback/status required**
- **Reliability improvements, tech. insertion & reduced obsolescence**



A Change in Philosophy

Philosophy

Drives Perspective

ICP Role

Results

Historically

Inventory
Based

Price is King

Custodian



- Focus on Supply Availability
- More Infrastructure
- Higher Total Costs
- Reduced Reliability
- Lower Quality

Change Driven by:
Fewer Resources,
Acquisition Reform,
& Technology Advances

Today

Performance
Based

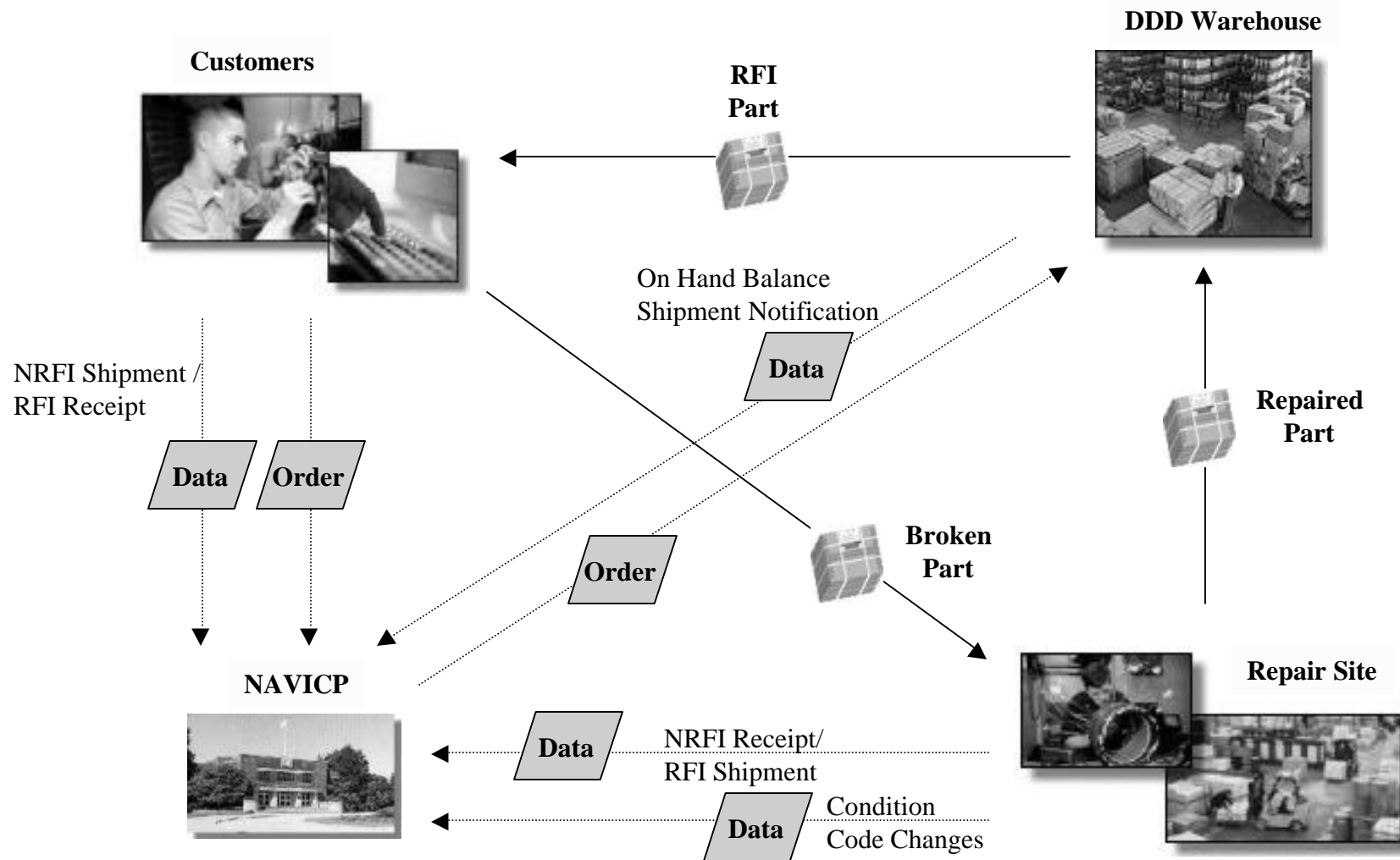
Best Value
for the Money

Broker



- Focus on Customer Service, Reliability and Readiness
- Less Infrastructure
- Lower Total Costs
- Increased Reliability
- Higher Quality

“As Is” Information & Part Flows



LEGEND

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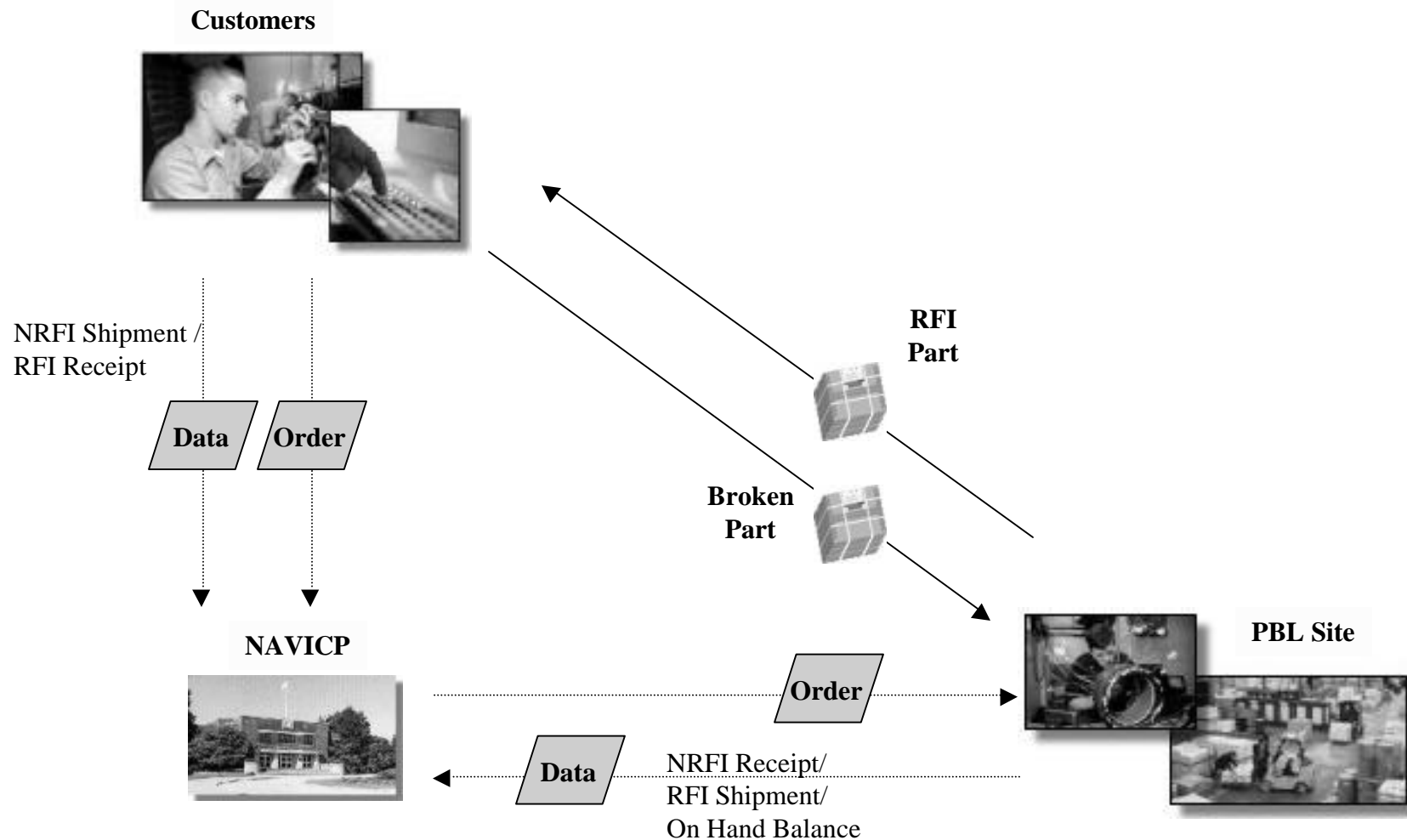
Information / Data

—————

Material

Activities

“With PBL” Information & Part Flows



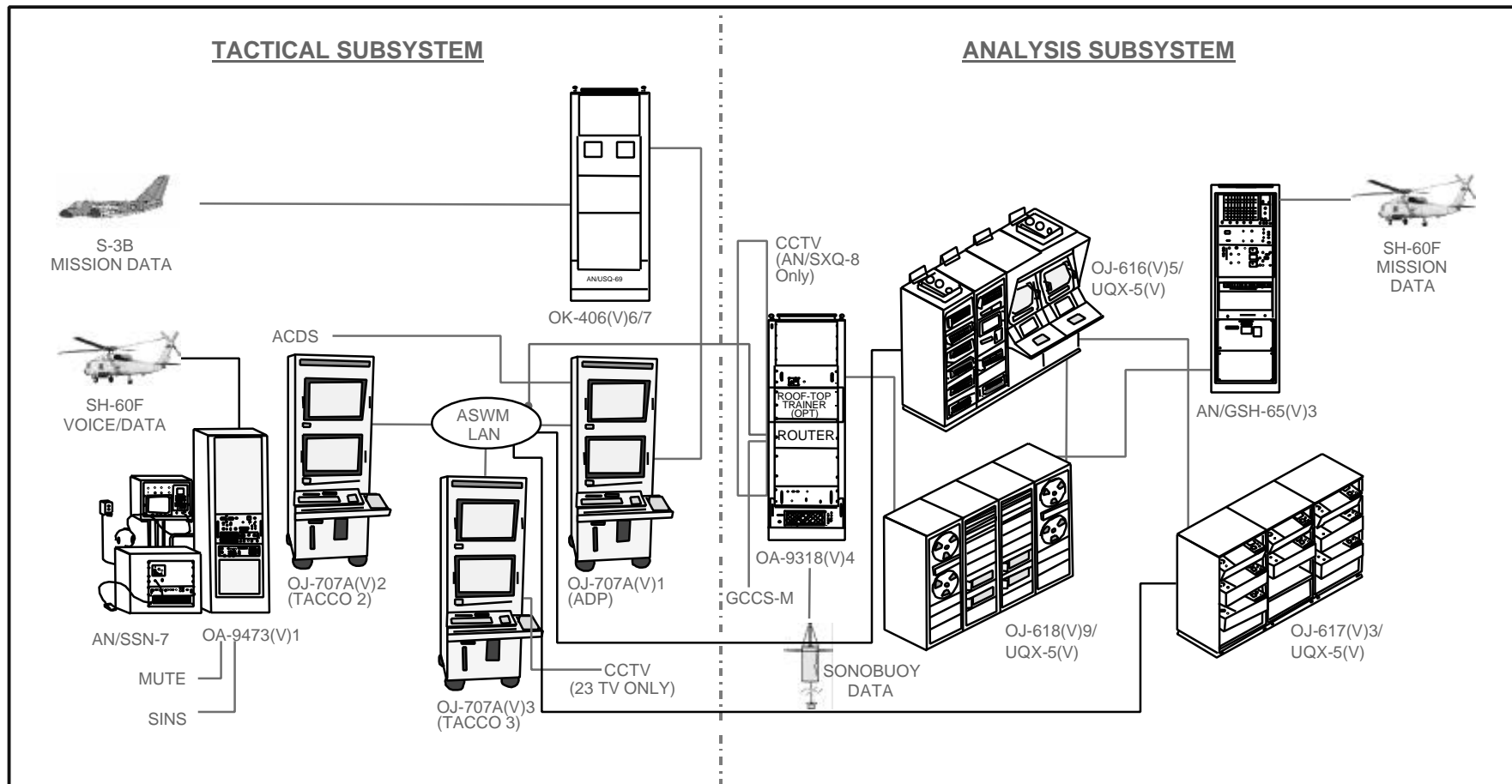
LEGEND

..... Information / Data ————— Material Activities

- **Improvement in reliability, availability and maintainability**
- **Improved LRT**
- **Reduction in organic inventory ownership**
- **Savings in transportation and warehousing**
- **Warranty management and tracking**
- **Reduction in obsolescence**

- **COTS BASELINE...** The Aircraft Carrier Tactical Support Center (CV-TSC) utilizes COTS and COTS Software
- **WHY PBL?...** To meet increasing demand for rapid response time of material support at a reduced cost
- **WHO CHOSE PBL FOR AN/SQQ-34?.....**In August 1998, a joint decision was made by the NAVICP Program Manager, the NAVSEA PMS 411J Program Manager, and NUWC, Division Keyport to pursue PBL support

AN/SQQ-34A(V)4 Block Diagram



We are responsible for the system-unique repairable parts of this system

- **Standardizing the PBL process...**
 - Process still evolving – and changing quickly
 - Process takes time (1-2 years or more)
 - Format of info provided to NAVICP not standardized
- **Cost / Benefit**
 - BCA Process - Weak spots in allocating costs for depot wash-out, transportation, obsolescence, and ICP ops.
 - Best to go PBL before Govt invests in inventory
 - New systems difficult to project costs for BCA
- **Needs NAVICP and (Ideally) Program Office Buy-In**
 - High level NAVSUP support, but working level NAVICP less clear on how to execute